



MINUTES OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

For the meeting held on
March 27, 2012
980 9th Street, Conference Center, 2nd Floor
Sacramento, California 95814

Chairman Jimenez called the meeting of the California Infrastructure and Economic Development Bank (I-Bank) Board to order at approximately 1:30 p.m.

1. Call To Order and Roll Call.

The following Board members were in attendance:

Austin Jimenez, represented the Secretary of the Business, Transportation and Housing Agency.
Pedro Reyes, represented the Director of the Department of Finance.
Francisco Lujano, represented the State Treasurer.
Dr. Willie Armstrong, represented the Secretary of the State and Consumer Services Agency.
D. Everett Rice, Governor's appointee.

The following I-Bank staff members were in attendance:

Roma Cristia-Plant, Marilyn Munoz, Joel Tokimitsu and Diane Cummings.

2. Executive Director's Report.

Roma Cristia-Plant reported that there was no Executive Director's report.

Consent Items:

3. Approve minutes from the meeting held on March 6, 2012.

Chairman Jimenez called for questions or comments from the Board and the public. Hearing none, he entertained a motion to approve this consent item. Mr. Armstrong moved to approve the minutes and Mr. Lujano seconded the motion. The Board unanimously approved the minutes.

4. Annual Review and approval of the I-Bank 2010 Investment Policy adopted on April 27, 2010, and last reviewed and approved on March 29, 2011.

Chairman Jimenez called for questions or comments from the Board and the public. Hearing none, he entertained a motion to approve this consent item. Mr. Reyes moved to approve the consent item and Mr. Armstrong seconded the motion. The Board unanimously approved the Investment Policy.

Action Items:

5. Resolution 12-03 approving actions to be taken, including the execution and delivery of documents, associated with the conversion of interest rate and mandatory tender for purchase of the outstanding California Infrastructure and Economic Development Bank

Refunding Revenue Bonds (Pacific Gas and Electric Company) Series 2010 E, initially issued in exchange for bonds previously issued to refinance certain air and water pollution control, sewage and solid waste disposal facilities located in Lake, Sonoma and San Luis Obispo Counties.

Mr. Tokimitsu presented a staff report describing the Pacific, Gas and Electric Company's (PG&E) request to approve the execution and delivery of post issuance documents, including those associated with the conversion of interest rate mode and mandatory tender for purchase of the outstanding Series 2010E Bonds. Mr. Tokimitsu further explained the Series 2010E Bonds were previously sold to investors in a 2 year term interest rate mode and will become subject to mandatory tender for purchase on April 2, 2012. On the same date, the Series 2010E Bonds automatically and without change to existing bond documents convert to a flexible interest mode and rather than remarket the new Series 2010E Bonds to investors, PG&E expects to purchase the bonds and hold them in its treasury. Mr. Tokimitsu also stated that PG&E expects the proposed transaction will facilitate PG&E's effective management of its cash resources associated with its outstanding bond debt issued by the I-Bank. He concluded the staff report by stating the request is also being brought before the Board to affirm the Executive Director's authority to authorize future similar post-issuance transactions associated with any of the outstanding PG&E bonds issued by the I-Bank. Mr. Tokimitsu introduced Mr. Edward Fierro, of Sidley, Austin, Bond Counsel for the transaction.

Chair Jimenez called for questions or comments from the Board and the public.

Mr. Fierro addressed the Board and in response to a question from Mr. Reyes, stated that he was not aware of any tax implications for PG&E in connection with the request.

Chair Jimenez called for additional questions or comments from the Board and the public. Hearing none, he entertained a motion to approve Resolution No. 12-03. Mr. Rice moved to approve the resolution and Mr. Armstrong seconded the motion. The Board unanimously approved the resolution.

Non-Action Item:

- 6. Action taken by the I-Bank's Executive Director pursuant to authority delegated by the Board:**
 - a. In connection with the prepayment, in full, of a financing under an Infrastructure State Revolving Fund Program Facility Lease Agreement (Agreement) (#CIEDB-B05-075) executed on January 1, 2007, between the I-Bank and the City of San Marino, originally undertaken to finance the San Marino Public Library Project, the Executive Director approved a waiver of the prepayment notice requirement under the Agreement and the early termination of the Agreement and associated Site Lease.**

Ms. Cristia-Plant informed the Board that there was no report for the non-action item.

Discussion Items.

Chairman Jimenez called for any other business; there was none.

Public Comment.

Chairman Jimenez called for any public comment; there was none.

Adjournment.

Chairman Jimenez declared the meeting adjourned at approximately 1:40 p.m.